

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning local
- 3 government and to make an appropriation.
- 4 Page 259, delete lines 4 through 42, begin a new paragraph and
- 5 insert:
- 6 "SECTION 288. [EFFECTIVE JANUARY 1, 2006
- 7 (RETROACTIVE)]: (a) The definitions in IC 6-1.1-1,
- 8 IC 6-1.1-20.9-1, and IC 6-1.1-21-2 apply throughout this
- 9 SECTION.
- 10 (b) The following definitions apply throughout this SECTION:
- 11 (1) "Family and children's fund" refers to a family and
- 12 children's fund established under IC 12-19-7-3.
- 13 (2) "Family and children's fund levy" refers to the sum of the
- 14 property tax levies first due and payable in a year for a
- 15 county's family and children's fund.
- 16 (3) "Nonresidential property" means tangible property that
- 17 is subject to property taxation other than residential property.
- 18 (4) "Residential property" refers to residential property, as
- 19 determined under the rules of the department of local
- 20 government finance that classify tangible property for
- 21 property tax purposes.
- 22 (c) Not later than the later of three (3) regular business days
- 23 after the effective date of this SECTION or February 1, 2006, the
- 24 budget agency shall certify to the department of local government
- 25 finance and the auditor of state the surplus state tax amnesty

revenues attributable to the amnesty program established under IC 6-8.1-3-17. The amount of surplus state tax amnesty revenues is the amount determined under STEP THREE of the following formula:

**STEP ONE:** Determine the balance on January 30, 2006, of the sum of the following:

(A) The total of the tax liability collected in the amnesty program established under IC 6-8.1-3-17.

(B) The total of the tax liability that:

(i) a taxpayer has agreed to pay under a written payment plan entered into under IC 6-8.1-3-17; and

(ii) is due under the taxpayer's written payment plan after January 30, 2006, and before July 1, 2006.

**STEP TWO:** Subtract from the STEP ONE amount the part of the STEP ONE amount that is attributable to listed taxes collected for a political subdivision (as defined in IC 36-1-2-13), including the following:

(A) The county adjusted gross income tax (IC 6-3.5-1.1).

(B) The county option income tax (IC 6-3.5-6).

(C) The county economic development income tax (IC 6-3.5-7).

(D) The municipal option income tax (IC 6-3.5-8).

(E) The auto rental excise tax (IC 6-6-9).

(F) The financial institutions tax (IC 6-5.5).

(G) The gasoline tax (IC 6-6-1.1).

(H) The alternative fuel permit fee (IC 6-6-2.1).

(I) The special fuel tax (IC 6-6-2.5).

(J) The motor carrier fuel tax (IC 6-6-4.1).

(K) A motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3.

(L) The motor vehicle excise tax (IC 6-6-5).

(M) The commercial vehicle excise tax (IC 6-6-5.5).

**STEP THREE:** Subtract from the STEP TWO amount the estimated out of pocket costs that the budget agency determines will be incurred by the state to administer this SECTION in 2006 and 2007. The amount estimated under this STEP may be adjusted in 2007 to reflect actual expenditures. Any adjustments apply only to reduce or increase a distribution required under this SECTION in 2007.

(d) A taxpayer is entitled to an additional property tax replacement credit against property tax liability first due and payable:

(1) in 2006; and

(2) in 2007, if the amount remaining in the special account established under subsection (g) after making the distribution required under subsection (h) for 2006 is at least two percent

(2%) of the increase in the levy resulting from the tax rates for 2007 described in subsection (e) STEP THREE.

The amount of the credit for property taxes first due and payable in a year is the credit determined under subsection (e).

(e) In 2006 not later than the later of six (6) regular business days after the effective date of this SECTION or February 15, 2006, and in 2007 at the time property tax rates, property tax levies, and budgets are certified under IC 6-1.1-17-16, the department of local government finance shall certify to counties the additional property tax credit percentage or other procedure or formula to use, as determined by the department of local government finance, to provide taxpayers in a particular county with property tax relief substantially equal to the amount determined under STEP THIRTEEN of the following formula:

STEP ONE: Determine the family and children's fund levy in the county for property taxes first due and payable in 2005.

STEP TWO: Determine the family and children's fund levy in the county for property taxes first due and payable in the current year.

STEP THREE: Determine the result of:

(A) the STEP ONE amount; divided by

(B) the STEP TWO amount;

rounded to the nearest ten thousandth (0.0001).

STEP FOUR: Determine the greater of zero (0) or the result of:

(A) One (1); minus

(B) the STEP THREE result.

STEP FIVE: Determine the taxpayer's property tax liability for the county's family and children's fund levy that:

(A) is first due and payable in the current year; and

(B) is imposed on all of the taxpayer's residential property in the county for the assessment date for property taxes first due and payable in the current year;

after applying the part of the credits granted under IC 6-1.1-20.9-2 and IC 6-1.1-21-5 that are attributable to the property taxes described in this STEP.

STEP SIX: Determine the result of:

(A) the STEP FOUR result; multiplied by

(B) the STEP FIVE amount.

STEP SEVEN: Determine the result of:

(A) the STEP SIX result; divided by

(B) the assessed value of all of the taxpayer's residential property in the county for the assessment date for property taxes first due and payable in the current year;

rounded to the nearest ten thousandth (0.0001).

STEP EIGHT: Determine the result of:

- 1 (A) the STEP SEVEN result; multiplied by
- 2 (B) the lesser of:
- 3 (i) the assessed value of all of the taxpayer's residential
- 4 property in the county for the assessment date for
- 5 property taxes first due and payable in the current year;
- 6 or
- 7 (ii) three hundred fifty thousand dollars (\$350,000).
- 8 **STEP NINE: Determine the taxpayer's property tax liability**
- 9 **for the county's family and children's fund levy that:**
- 10 (A) is first due and payable in the current year; and
- 11 (B) is imposed on all of the taxpayer's nonresidential
- 12 property in the county for the assessment date for property
- 13 taxes first due and payable in the current year;
- 14 after applying the part of the credits granted under
- 15 IC 6-1.1-21-5 that is attributable to the property taxes
- 16 described in this STEP.
- 17 **STEP TEN: Determine the result of:**
- 18 (A) the STEP FOUR result; multiplied by
- 19 (B) the STEP NINE amount.
- 20 **STEP ELEVEN: Determine the result of:**
- 21 (A) the STEP TEN result; divided by
- 22 (B) the assessed value of all of the taxpayer's nonresidential
- 23 property in the county for the assessment date for property
- 24 taxes first due and payable in the current year;
- 25 rounded to the nearest ten thousandth (0.0001).
- 26 **STEP TWELVE: Determine the result of:**
- 27 (A) the STEP ELEVEN result; multiplied by
- 28 (B) the lesser of:
- 29 (i) the assessed value of all of the taxpayer's
- 30 nonresidential property in the county for the assessment
- 31 date for property taxes first due and payable in the
- 32 current year; or
- 33 (ii) one million dollars (\$1,000,000).
- 34 **STEP THIRTEEN: Determine the result of:**
- 35 (A) the STEP EIGHT result; plus
- 36 (B) the STEP TWELVE result.
- 37 **If in 2006, the amount certified under subsection (c) and, in 2007,**
- 38 **the amount remaining in the special account established under**
- 39 **subsection (g) (after making the distribution required under**
- 40 **subsection (h)) is less than the sum of the STEP THIRTEEN**
- 41 **amounts for all taxpayers in Indiana, the credit shall be**
- 42 **proportionally reduced, as determined by the department of local**
- 43 **government finance, to eliminate the excess.**
- 44 **(f) A county auditor:**
- 45 **(1) may apply the entire amount of an additional property tax**
- 46 **credit under this SECTION equally to all installments of**

property taxes first due from the taxpayer in the year; or  
 (2) if application of the credit to the first installment would  
 delay the delivery of tax statements more than thirty (30) days  
 after the date that the tax statements would otherwise be  
 mailed or transmitted, may issue revised tax statements and  
 apply the entire credit to the property tax due in a later  
 installment.

IC 6-1.1-22.5-6 does not apply to a delay in the delivery of an  
 abstract described in subdivision (2). The department of local  
 government finance may prescribe procedures to apply an  
 additional property tax replacement credit to tax statements. A  
 county auditor shall comply with the procedures prescribed under  
 this subsection.

(g) Not later than the later of:

(1) the end of the month in which the budget agency certifies  
 the amount of the surplus state tax amnesty revenues; or

(2) March 31, 2006;

the auditor of state shall transfer to the property tax replacement  
 fund from unrestricted revenues in the state general fund an  
 amount equal to the surplus state tax amnesty revenues certified to  
 the auditor of state under this SECTION. The amount transferred  
 shall be accounted for separately from other money in the property  
 tax replacement fund. Money in the special account may be used  
 only to make distributions to taxing units to replace revenue lost to  
 a county as the result of the application of the additional property  
 tax credit established by this SECTION. Money remaining in the  
 special account on June 30 of the state fiscal year that ends after  
 the property tax replacement fund board makes the last  
 distribution required under this SECTION reverts to the state  
 general fund.

(h) The property tax replacement fund board shall provide for  
 an additional distribution to taxing units from the special account  
 in the property tax replacement fund established under subsection  
 (g) to replace revenue lost to a county as the result of the  
 application of the additional property tax credit established by this  
 SECTION. The distribution shall be made on the schedule  
 determined by the property tax replacement fund board. To the  
 extent possible, the property tax replacement fund board shall  
 make distributions under this subsection at the same time  
 distributions of homestead credits and other property tax  
 replacement credits are made. A distribution under this subsection  
 is not subject to any law limiting the maximum amount that may  
 be distributed under IC 6-1.1-21. The amount distributed under  
 this subsection is not included in the amount used to determine the  
 minimum amount that must be distributed or maximum  
 distribution that may not be exceeded under IC 6-1.1-21.

(i) The amount necessary to make distributions under subsection (h) is annually appropriated as an additional appropriation to the property tax replacement fund board from the special account in the property tax replacement fund established under subsection (g).

(j) This subsection applies to a taxpayer in an allocation area that would be eligible for an additional credit under any of the following:

(1) IC 8-22-3.5-10.

(2) IC 36-7-14-39.5.

(3) IC 36-7-15.1-26.5.

(4) IC 36-7-15.1-35.

(5) IC 36-7-15.1-56.

(6) IC 36-7-30-27.

(7) IC 36-7-30.5-32.

(8) IC 36-7-32-18.

As used in this subsection, "designating body" refers to the governing body permitted to reduce an additional credit otherwise granted in an allocation area to which a provision described in subdivisions (1) through (8) applies. Subject to this subsection, a taxpayer in an allocation area is entitled to a supplemental credit. The amount of the supplemental credit is equal to the amount necessary to give the taxpayer the same total credit that the taxpayer would have received if the taxpayer's tangible property were not located in an allocation area. The supplemental credit reduces the amount of proceeds allocated to the district where the allocation area is located and paid into an allocation fund. A designating body may reduce the amount of the supplemental credits granted in an allocation area in the same manner and for the same reasons that the designating body is permitted to reduce an additional credit in the allocation area. The department of local government finance may prescribe procedures to use to apply a supplemental credit to tangible property in an allocation area. A county auditor shall comply with the procedures prescribed under this subsection."

Page 260, delete lines 1 through 40.

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

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Representative Crawford